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SCOPING AND INFORMATIONAL MEETING
THIEF RIVER FALLS - AUGUST 12, 2015 - 6:00 P.M.
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
AND DEPARTMENT OF COMMERCE

In the Matter of the Application of Enbridge Energy,
Limited Partnership for a Certificate of Need and a
Pipeline Routing Permit for the Line 3 Replacement
Project in Minnesota from the North Dakota Border to the
Wisconsin Border

MPUC DOCKET NOs. PL-9/CN-14-916
PL-9/PPL-15-137

Ralph Engelstad Arena - Imperial Room
525 Brooks Avenue
Thief River Falls, Minnesota

August 12, 2015

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1 MS. TRACY SMETANA: Good evening,
2 everyone, and thank you for coming.

3 My name is Tracy Smetana, I'm the public
4 advisor with the Minnesota Public Utilities
5 Commission. We are here for a public information
6 meeting for the Enbridge Line 3 Replacement Project.

7 As you can see, there are two docket
8 numbers on this opening slide. These are sort of
9 the keys to finding information about the project at
10 the Public Utilities Commission. For this
11 particular project, there are two pieces to that
12 puzzle. One is the certificate of need, which
13 answers the question is the project needed. The
14 second is the route permit, which answers the
15 question where will it go.

16 The purpose of tonight's meeting is to
17 explain the Commission's review process. To provide
18 information about the proposed project. To gather
19 information for the environmental review. And to
20 answer general questions about the process and the
21 project.

22 And this is the meeting agenda that was
23 included in the notice that many of you may have
24 received. So there will be some formal
25 presentations, then we'll open it up for your

1 comments. Depending on how long that goes, we will
2 need to take a break at about 7:30.

3 So who is the Public Utilities
4 Commission? We are a state agency, we regulate
5 various aspects of utility services, including
6 permits for pipelines. We have five commissioners
7 that are appointed by the governor and about 50
8 staff in St. Paul.

9 Again, this project requires a
10 certificate of need from the Public Utilities
11 Commission before it can be built. I've included
12 information here about the statutes and rules that
13 cover that process. And, again, the project would
14 also require a route permit from the Commission and
15 the statutes and rules are listed here as well.

16 As we work through this process, there
17 are a number of agencies and other folks that do get
18 involved. So I just want to give you a little who's
19 who.

20 First of all, we have the applicant,
21 that's what we call the company asking for the
22 certificate of need and the route permit. In this
23 case, that's Enbridge Energy.

24 We also have two different arms of the
25 Department of Commerce, another state agency that

1 are involved in the process.

2 First of all, we have the Energy
3 Environmental Review and Analysis group. You might
4 see that abbreviated as EERA. And their job is to
5 conduct the environmental review.

6 The other side of the Department of
7 Commerce that works on this process is the Energy
8 Regulation and Planning division. They represent
9 the public interest when utilities ask to make
10 changes to their rates, services, facilities and so
11 on.

12 Later on in the process another state
13 agency, the Office of Administrative Hearings, will
14 be involved. We will have an administrative law
15 judge that will hold hearings back out in this
16 community and will summarize the facts in the record
17 and ultimately write a report for the Public
18 Utilities Commission on both the question of need
19 and the question of route.

20 At the Public Utilities Commission, my
21 colleague is the energy facilities planner. They
22 work more on the technical side of things. Making
23 sure the project is working through the process
24 correctly, gathering information for the
25 commissioners, advising them on the impacts of

1 various options and so forth. On the other side of
2 that is my job, the public advisor, and my job is
3 to, as you might guess, talk to people, and explain
4 how the process works, when you can plug in, how you
5 can get involved, so on and so forth. In any case,
6 Commission staff, we are not advocates for any party
7 or position, we don't give legal advice, that type
8 of thing.

9 Listed here are the factors that the
10 Public Utilities Commission is required to consider
11 when reviewing a request for a certificate of need.
12 There's also a list of factors the Commission needs
13 to consider in the case of a route permit.

14 And in this case you can see these
15 various factors that are certainly important to lots
16 of folks. What the rules don't do is rank them or
17 prioritize them in any way. So the commissioners
18 have to do that when they review all the facts in
19 the record to determine how all these things balance
20 out.

21 Here's a diagram that shows sort of a
22 high level view of what the certificate of need
23 process looks like. The main thing I want to point
24 out here is, number one, there's a number of steps
25 that happen before we get to a decision. And also

1 there are a number of opportunities for folks to
2 participate, either by attending meetings or
3 submitting written comments or both.

4 This chart looks somewhat similar for the
5 route permit process. And, again, there's a number
6 of steps from start to finish and also some
7 opportunities for folks to participate.

8 Same information in list form, with some
9 dates included as well. Keep in mind, these are
10 estimated dates based on the information we have
11 today, early on in the process. This is our best
12 guess of when future events may happen in this
13 particular case. And so we're estimating at this
14 time that the Commission will make a decision on the
15 certificate of need in June of 2016. Again, that
16 could change quite a bit between now and then, we'll
17 see.

18 And then a similar list for the route
19 permit. Again, it's an estimated timeline. Based
20 on what we know today, our best guess is a decision
21 on the route permit would happen in August of 2016.

22 So, as I mentioned, there are a number of
23 times where folks have the opportunity to
24 participate and weigh in in the process. And quite
25 often when we're doing that we'll send a notice.

1 Either to you if you're on our mailing list, it
2 might be published in a newspaper, you might hear
3 about it from a friend. And there's a few key
4 elements you want to take a look at if you receive
5 one of these notices.

6 First, here it is again, the docket
7 number. It's important to make sure you include
8 that in anything you submit so it gets to the right
9 place.

10 The comment period. There are deadlines.
11 Just like you might think of a school assignment is
12 due on a certain day, you want to turn it in on
13 time. And then there's a lit of topics that are
14 open for comment. So as we work through the steps
15 listed in that chart, there are various things that
16 we're looking for your help on each step of the way.

17 And so, again, the keys to sending
18 comments, whether you're speaking them or writing
19 them, is to include the docket numbers. Stick with
20 the topics listed in the notice as much as possible,
21 that's going to be the most helpful for us. You
22 don't need to submit your comments more than once.
23 Once we have them, we have them, they're in the
24 record. Verbal and written comments carry the same
25 weight so you don't get extra credit if you speak in

1 public. It's wonderful if you want to do that, but
2 verbal and written count the same.

3 The Commission's decision is ultimately
4 based on the facts in the record. So it's not, you
5 know, how many people said they liked this, how many
6 people said they liked that, it's really the facts
7 in the record. So stick to the facts as much as
8 possible.

9 Comments are public information. So
10 anything that you submit, whether it's in writing or
11 by speaking, will ultimately be in the public
12 domain, it will be on the Internet for folks to
13 read. So keep that in mind, you don't want to
14 reveal any details that you don't want out there.
15 And, again, your comments need to be received before
16 the deadline in order to be considered.

17 Now, if you're interested in getting more
18 information about the project and the process, we
19 have an eDocket system where everything that happens
20 in this case is contained, and you can look at those
21 documents on our website and these are the
22 instructions for doing that.

23 You can also sign up to be on our project
24 mailing list. You can receive information by U.S.
25 mail or e-mail on this list. You'll receive

1 information about project milestones and
2 opportunities to participate. So you're not going
3 to get everything that happens, but sort of the high
4 points, if you want to think of it that way. We
5 have an orange card in the back where you can sign
6 up for that, if you like.

7 Now, if you're a real e-mail fan, we also
8 have an e-mail subscription service where you can
9 sign up and then you will receive a notice every
10 time something new comes into the case. So these
11 are the steps you would follow to subscribe. Now,
12 keep in mind, that could result in a lot of e-mails.
13 Sometimes there's a lot of activity and a lot of
14 things being filed and some people say, ooh, that's
15 way too much information. So that may or may not be
16 the best choice in that case.

17 This is what the screen looks like when
18 you subscribe. A lot of people say it's not super
19 user-friendly so I always like to give you a little
20 picture of what you should see when you get to that
21 point.

22 And, again, at the Public Utilities
23 Commission, or PUC, the two folks that are primarily
24 working on this case are, again, me, I'm Tracy, I'm
25 the public advisor, and then my counterpart, the

1 energy facilities planner is Mr. Scott Ek. And
2 either one of us would be happy to answer questions
3 that you might have.

4 And, with that, I'm going to turn it over
5 to Enbridge.

6 MR. MITCH REPKA: Good evening.

7 My name is Mitch Repka, I'm the manager
8 of engineering and construction for the U.S. portion
9 of our Line 3 Replacement Project.

10 I want to start by thanking the Public
11 Utilities Commission as well as the DOC for inviting
12 us here to talk regarding the project. We'll be
13 sharing additional details about the project here
14 today, as well as providing an opportunity to answer
15 questions and listen to any comments you may have.

16 I wanted to start today with a safety
17 moment, as is Enbridge tradition. For those of you
18 that aren't aware, yesterday was August 11th, which
19 is National 811 Day, which is a program designed to
20 raise the awareness of third-party line strikes,
21 which is one of our leading causes of damages. So I
22 encourage you to call before you dig, allow
23 sufficient time for the locators to accurately mark
24 the below-grade facilities and then practice safe
25 digging techniques. So that's the safety moment.

1 Today we'll talk about who Enbridge is,
2 the history of Line 3. We'll talk about
3 project-specific details as well as finish up with
4 benefits regarding the project.

5 So who is Enbridge? Enbridge operates
6 the world's longest crude oil pipeline system. It
7 delivers approximately 2.2 million barrels of crude
8 and liquid petroleum per day and satisfies about 70
9 percent of the market demand of refineries here in
10 the Great Lakes area.

11 As you can see on the map, Enbridge has a
12 variety of assets. The yellow lines indicate the
13 liquid systems that it owns and operates, and the --
14 if you can see it here, the blue line are natural
15 gas joint venture assets. The company also has a
16 growing portfolio of renewable energy, which
17 includes wind, solar, and geothermal.

18 So Enbridge operates under three core
19 principles: Integrity, safety, and respect. It
20 incorporates these into everything we do, whether it
21 be in the planning, design, construction, or
22 long-term operation and maintenance of our
23 facilities.

24 Safety is important for landowners, it's
25 important for community members, and Enbridge takes

1 its responsibilities seriously. We're committed to
2 operating our facilities safely and reliably in the
3 communities that we operate in across our system as
4 well as right here in Minnesota.

5 As for the history of Line 3. Line 3 is
6 a 34-inch diameter line that operates -- it starts
7 in Edmonton, Alberta and ends in Superior,
8 Wisconsin. It was constructed in the 1960s and was
9 placed into service in 1968. It's an integral part
10 of the Enbridge mainline system and delivers crude
11 oil to refineries here in Minnesota, Wisconsin, and
12 other parts of North America.

13 As for the replacement program. Enbridge
14 is proposing to replace the existing Line 3 with a
15 new 36-inch diameter line from Hardesty, Alberta to
16 Superior, Wisconsin. It's approximately 1,031 miles
17 in length and regulatory approvals are being sought
18 in both Canada and the U.S. currently for the
19 project.

20 Overall cost of the project is estimated
21 to be \$7.5 billion, which makes it one of North
22 America's largest infrastructure projects. Of that
23 total, about 2.6 billion of that is for the U.S.
24 portion.

25 As for the U.S. portion, again, as

1 mentioned earlier, the project is intended to
2 replace the existing Line 3. It's an integrity- and
3 maintenance-driven project and therefore will result
4 in the permanent deactivation of the existing
5 facility. This will reduce the need for long-term
6 integrity digs and maintenance activity along the
7 existing Line 3 corridor, which will benefit the
8 landowners and also reduce environmental impacts.

9 The U.S. portion of Line 3 is
10 approximately 364 miles in length. 13 of those
11 miles are in North Dakota, 337 are here in
12 Minnesota, and about 14 in Wisconsin.

13 The certificate of need and the route
14 permit application were filed in April of 2015, and
15 pending regulatory approvals, construction is
16 expected to start in 2016 and carry through to 2017.

17 As for the Minnesota details of the
18 project, the replacement project is shown in purple
19 here and follows south and east of Clearbrook and
20 follows the proposed Sandpiper Pipeline and goes
21 into Superior. So the project must enter Minnesota
22 in Kittson County to allow it to be tied into the
23 North Dakota segment and it must leave in Carlton
24 County so it will be tied to the Wisconsin segment
25 of the project. It must also pass through

1 Clearbrook to allow deliveries to the Minnesota Pipe
2 Line system, as well as our existing terminal
3 facilities there.

4 The project includes eight pump stations,
5 which are noted by the orange boxes. Four of these
6 are at existing locations north and east of
7 Clearbrook at Donaldson, Viking, Plummer, and
8 Clearbrook. And then it includes four additional
9 new locations near Two Inlets, Backus, Palisade, and
10 Cromwell.

11 The line has 27 mainline valves located
12 and strategically placed across the line. There is
13 also, as far as construction footprint, the work
14 space is designed at 120 feet in width in uplands
15 and 95 feet in wetlands. The permanent easement is
16 50 feet in width. In locations where we're parallel
17 to existing Enbridge facilities, we'll only require
18 an additional 25 feet and the other 25 will be
19 shared with the adjacent pipeline. In most cases,
20 we're south of the existing Alberta Clipper line
21 north and west of Clearbrook. That corridor is 98
22 percent -- or that route north and west of
23 Clearbrook is 98 percent collocated with existing
24 utility infrastructure and the line is 75 percent
25 collated south and east of Clearbrook. The overall

1 investment here in Minnesota is estimated to be \$2.1
2 billion.

3 As for benefits, as mentioned earlier,
4 it's an integrity- and maintenance-driven project;
5 therefore, once the line is operational we'll see a
6 reduced impact along the existing corridor for
7 maintenance activities and integrity digs. The
8 capabilities of Line 3 will be restored as a result
9 of the project, therefore alleviating apportionment
10 across the Enbridge mainline system.

11 As for jobs, we anticipate 1,500 jobs
12 will be created, construction jobs will be created
13 as a result of the project. About 50 percent of
14 those jobs will come from the local labor halls here
15 in Minnesota. There will also be a need for
16 long-term Enbridge positions as a result of the
17 ability to maintain and operate the facility once
18 it's in service.

19 Businesses will see a direct impact as
20 well. As labor comes into the area to support the
21 construction of the project, they will require
22 housing, food, they'll shop at our local grocery
23 stores, hardware stores, and various businesses
24 throughout the community. So those businesses will
25 see a direct impact from the project.

1 And then on a long-term basis there will
2 be additional tax revenue as well as a result of the
3 project. We estimate approximately \$19.5 million
4 will be the incremental increases in taxes as a
5 result, and that money will be distributed
6 throughout the counties that we operate in. It can
7 be used for a variety of things as the county
8 chooses, whether for infrastructure improvements or
9 potential reduction in the tax burden of the county
10 residents.

11 So, again, I'd like to thank you for your
12 time here today.

13 With me today with Enbridge, we've got a
14 variety of people here that I'd like to take a
15 minute to allow them to introduce themselves so they
16 can answer questions or listen to any comments that
17 you may have.

18 So we'll start with Barry.

19 MR. BARRY SIMONSON: Thanks, Mitch.

20 Thanks, everyone, for showing up tonight.
21 My name is Barry Simonson, I am the project director
22 for Line 3. So with that I essentially have
23 ultimate accountability for the project to be
24 completed on time and in a successful manner. So,
25 thank you.

1 I'll turn it over to Mr. John McKay.

2 MR. JOHN MCKAY: Good evening, everyone.

3 My name is John McKay, and I'm a senior
4 manager for land services for U.S. projects. And I
5 basically provide oversight for the land
6 acquisition, planning during construction, as well
7 working with landowners in oversight during
8 restoration. So, again, thank you for coming
9 tonight.

10 MR. JOHN GLANZER: Hello.

11 I'm John Glanzer, director of
12 infrastructure planning for Enbridge, where we take
13 a forward view of the planning of the entire
14 Enbridge network.

15 MS. HELENE LONG: Good evening.

16 I'm Helene Long, I'm internal legal
17 counsel for Enbridge and I'm here to help through
18 the process and assist you in getting any of your
19 questions answered.

20 MR. PAUL TURNER: Hello.

21 I'm Paul Turner, supervisor of our
22 environmental permitting team. I manage and oversee
23 the preparation and submittal of all local, state,
24 and federal environmental permit applications.

25 MR. JOHN PECHIN: Hello.

1 My name is John Pechin, I'm the Bemidji
2 area operations manager, and I'm responsible for
3 electrical and technical needs after the project is
4 in service.

5 MR. MITCH REPKA: Okay. And, once again,
6 I'm Mitch Repka, manager of engineering and
7 construction for the project.

8 And we'll turn it back over to the DOC.

9 MS. JAMIE MACALISTER: Good evening,
10 everyone.

11 I'm Jamie MacAlister with the Department
12 of Commerce, Energy Environmental Review and
13 Analysis unit. And with me is Larry Hartman from
14 our staff as well. There we go.

15 All right. I just wanted to go over a
16 couple things before we get started here. The first
17 is, if you've have a chance to look in your folders,
18 there were a number of items in there, including, if
19 you haven't already turned one in, a speaker card, a
20 green speaker card if you'd like to speak this
21 evening on the record.

22 There should also be a scope in your
23 folder for the upcoming environmental document, the
24 comparative environmental analysis. We have also
25 have a comment form and guidance on how to help you

1 provide comments that will help us get that
2 information into the environmental document. There
3 are also some maps. There is a double-sided map
4 there, there is a map also attached to the back of
5 the scope.

6 So I'm going to give you a little bit of
7 overview of the permitting process slightly
8 different than the one that Tracy provided. Talk
9 about the scoping process, and some information on
10 the comparative environmental analysis. And then
11 some discussion on the comments that you can submit,
12 informative and helpful comments to us, some
13 examples, and then we'll move into our
14 question-and-answer session.

15 So, firstly, the routing process is
16 guided by Minnesota Statute 216G and Minnesota Rule
17 7852. The Line 3 pipeline is a whole process under
18 Minnesota Rule 7852 and that will include the
19 preparation of an environmental document, which in
20 this case is the comparative environmental analysis.
21 And there will also be public hearings presided over
22 by an administrative law judge.

23 So the permit process. As you can see,
24 the application was just recently accepted in July.
25 We're now at the public information and scoping

1 meetings. We will be taking your comments and
2 preparing a package, including any route and segment
3 alternatives that are proposed, submitting that to
4 the Commission, and the Public Utilities Commission
5 will be the body that determines which route and
6 segments get carried forward for further analysis in
7 the comparative environmental analysis. And after
8 that we will have the contested case hearings and
9 the ALJ report prior to a route permit decision.

10 So currently we're in the public
11 information and scoping phase of this process.
12 These meetings are intended to provide the public
13 agencies, tribes, and local governments the
14 opportunity to identify impacts and issues that are
15 important to them at the local level, and those can
16 be human and environmental, for further analysis.

17 . It allows everyone an opportunity to
18 participate in the development of route and segment
19 alternatives, and as I mentioned before, these route
20 alternatives are approved by the PUC.

21 So you might want to know what a
22 comparative environmental analysis is. And it is
23 the environmental document that will be prepared for
24 pipelines. It is an alternative form of
25 environmental review that has been approved by the

1 Minnesota Environmental Quality Board and also meets
2 the Minnesota Environmental Policy Act requirements.
3 The document is intended to be an objective analysis
4 of the project. We look at the impacts and
5 mitigation. We don't advocate or provide facts for
6 people to use, and our goal is to help people make
7 informed decisions.

8 So if you have comments or alternatives,
9 route alternatives that you would like to submit to
10 us, we'd recommend that you include a map. It could
11 be an aerial photo, a topo map, a USGS map, a county
12 highway map, anything that can help you identify
13 your route or your route segment for us. As well as
14 providing a brief description and as much
15 information as you can so that we don't have to
16 guess as to what your actual intent was in
17 submitting your comment.

18 Alternatives to the project must mitigate
19 specific impacts. These can be aesthetic impacts,
20 land use impacts, natural resource impacts. Many of
21 you here tonight will be speaking about economic
22 impacts and benefits. And any other impacts that
23 you can think of that you think should be included
24 in the comparative environmental analysis.

25 The alternatives also must meet the needs

1 for the project. So that means that the project has
2 to come in at Kittson County, it must go to
3 Clearbrook, and it must also end in Superior,
4 Wisconsin.

5 I'll just briefly run through some
6 examples of alternatives that were used for a
7 transmission project to avoid system impacts. The
8 first example is an avoidance of historic property,
9 a couple of different alternatives were proposed to
10 get around the historic property.

11 The second example would be the proposed
12 route was to realign with the existing roadway so be
13 more in line with the road as opposed to going
14 around it.

15 In this case they were trying to avoid a
16 memorial site, they were providing an example of how
17 you could avoid impacts to the memorial.

18 And lastly here, I would like to talk a
19 little bit about the maps in your folder. For those
20 of you that have been following this project as well
21 as the Sandpiper project, a number of route
22 alternatives were approved for the Sandpiper
23 project, and all of those route alternatives are on
24 these maps and are being carried forward for Line 3.
25 And the second map just shows a closeup of what

1 these route alternatives are.

2 So roughly there are 31 alternatives that
3 are being carried forward that were approved last
4 August by the Public Utilities Commission and these
5 will already be included in the comparative
6 environmental analysis.

7 And as for the anticipated permitting
8 schedule, we are expecting to have something to the
9 Commission this fall, hopefully with approvals we're
10 thinking roughly in November. We expect the
11 comparative environmental analysis to be ready early
12 next spring, roughly in March. We'll move on to the
13 public hearings and contested case hearings and
14 potentially a permit decision in July of next year.

15 So as we move into our
16 question-and-answer case here, I'd like to request
17 one speaker at a time. Please state and spell your
18 name for the court reporter, for Janet here. If you
19 don't, she will kindly remind you to do so. Let's
20 try and keep our comments limited to a few minutes
21 so that everyone has an opportunity to speak if they
22 so choose. And if possible, let's focus the
23 comments and questions on the scoping of the
24 environmental document, the CEA, and to this
25 project.

So, with that, I'd like to open it up for questions and answers.

MR. MICHAEL LABORDE: Good evening. My name is Michael Laborde, L-A-B-O-R-D-E.

The Teamsters have been working in this

1 industry for over 50 years. We bring high quality,
2 skilled drivers to the workforce with the highest
3 safety training that is available.

4 Over the past three years, we have spent
5 \$1.3 million in training. This year alone we have
6 training in ten locations and have nearly 5,000
7 man-hours involved.

8 Myself, I'm a Minnesota resident, I
9 respect the environment as much as any other person
10 does. And I believe we all agree that Line 3 needs
11 to be replaced and we are fully supportive of
12 Enbridge on this.

13 We also would like to ask the Commission
14 to do a study and look at the man-hours and the
15 training that is involved with the Teamsters and all
16 the other crafts involved. We are fully dedicated
17 to support these projects and we hope you do too.

18 Thank you.

19 MS. JAMIE MACALISTER: Thank you.

20 MR. LARRY HARTMAN: The next speaker card
21 is Mario LaPlante.

22 MR. MARIO LAPLANTE: Mario LaPlante,
23 L-A-P-L-A-N-T-E.

24 I am not opposed to the pipelines per se.
25 What I am concerned about and have questions about

1 is the fact that the existing line remains in place
2 when construction is done. I see that as a future
3 hazard and future cost to be borne by somebody down
4 the road.

5 I have a hard time believing that it can
6 stay in place. Say, if the existing consumers that
7 are driving the need for this line cannot or are
8 unwilling to pay for removal of the existing line,
9 that tells me it's not truly needed. If it is truly
10 needed they should be able to bear the cost of
11 removing the line.

12 I'm not sure, but as far as I know this
13 is probably the first major replacement and the
14 first abandonment of an existing line. So to me
15 it's very important because it'll set a precedent.
16 I don't have a dog in this particular fight, I'm
17 more affected by the Sandpiper Line 81 replacement,
18 and somewhere down the road Line 81 will be no
19 longer needed.

20 On my particular property that line is
21 only buried 30 inches, where the new Sandpiper will
22 be 54 inches, so now I will still have a 30-inch
23 hazard on my property. If it is removed I have a
24 clear 54 inches and I don't have to worry about it.

25 One tough question I have is you

1 mentioned 19 and a half million dollars additional
2 taxes. Is that clear profit or will there be a
3 reduction in taxes asked for on the decommission of
4 Line 3? So will it be an offset? Will Enbridge
5 still pay taxes at the current rate for abandoned
6 pipelines or will there be a reduction there?

7 I wonder how many of the affected
8 landowners are aware of the fact that the line will
9 still remain in place. And if they're as concerned
10 about it as I am, as far as I know I'm the only one
11 who's raised the issue, and I've raised it before,
12 and I'd say that's my main concern. You know, if a
13 gas station in town shuts down, those tanks have to
14 be removed. I don't see how this is any different.
15 It's a 34-inch hazard that can fill with water,
16 whatever, it's out of sight, out of mind. I'm sure
17 the intent right now is to maintain it, 50 years
18 down the road what's going to happen? 50 years is a
19 long time. Well, it's already been there 50 years,
20 I was there when it was put in and I'm still here
21 and I plan on being around for a while.

22 To me, if all the consumers at large
23 can't pay for it, at some point the State of
24 Minnesota will be on the hook for it, the taxpayers
25 of Minnesota and landowners. So I know at meetings

1 in Crookston I asked the question or it came up that
2 there is no legislation requiring it, it might be
3 possible as far as the route permit or the
4 certificate of need to be made a stipulation. I
5 don't know if that's true or not, I'd like to see
6 that happen. But, like I say, my main concern is
7 just the abandonment of this empty pipeline.

8 Thank you.

9 MS. HELENE LONG: Helene Long, an
10 attorney from Enbridge. And thank you for your
11 questions.

12 I'll answer one of them regarding the tax
13 base. The 19.5 million is incremental taxes to the
14 State of Minnesota. And there is a formula by which
15 those taxes are allocated amongst the counties. So
16 that tax formula will be followed pre and post
17 decommissioning.

18 I'm going to turn it over to Mitch Repka,
19 who is our engineer in charge of the construction
20 and decommissioning of the line. He can respond to
21 the question regarding age.

22 MR. MITCH REPKA: Well, thank you for
23 your questions.

24 Regarding the decommissioning of the
25 line, our intent is to -- our plan there is to purge

1 the line of product, we'll clean the line with
2 solvents, a series of brush pigs, as well as a
3 corrosion inhibitor solution that will follow that
4 pig train through the line. We'll maintain our
5 cathodic protection system on the line as it is
6 today, it'll be no different as far as the corrosion
7 control system that is in place today on the line.
8 So it'll be maintained, we will continue to operate
9 the system, check the system for that cathodic
10 protection.

11 Also, the line would be isolated from any
12 crude sources into the line. And then we will
13 maintain as well our patrols of the existing
14 corridor as we do today. So we'll look for any
15 variations along the corridor as well.

16 As to your point or question regarding
17 other lines being deactivated, Enbridge does have a
18 history of deactivating lines in the past and we're
19 proposing to do a similar method here on Line 3.

20 MR. LARRY HARTMAN: The next speaker card
21 I have is Rick Klein.

22 MR. RICK KLEIN: Good evening. My name
23 is Rick Klein, K-L-E-I-N.

24 I'd like to state that I am a resident of
25 Minnesota, from St. Paul, Minnesota.

1 And I wanted to support -- say that I
2 support the certificate of need and I also agree
3 with the route permit for Line 3.

4 I'd like to say thank you to all of your
5 hard work, for the people that the engineer and
6 design and the legal advice team from Enbridge, the
7 Department of Commerce, the Public Utilities
8 Commission for protecting everyone in the state by
9 having these forums so people can come and have
10 their opinions discussed and we get to the correct
11 decisions.

12 One thing that I didn't hear, or read,
13 that this line started, Line 3, it was designed
14 starting in 1960, but actually never really went
15 into service until '68 so there must have been a few
16 years of building and problems and situations back
17 in the infancy stages of these pipelines that they
18 had to work through.

19 And from my math, they've got 47 years of
20 usage out of this pipeline. I think that's pretty
21 good being that I'm a journeyman plumber and gas
22 fitter, and my tenure is about over and I've
23 basically got 37 years in construction. So I'm
24 pretty much wore out myself, it's nice to be able to
25 be replaced by others that are younger and that are

1 there.

2 Again, I'd like to say that I support
3 everything on Line 3 so far. Thank you.

4 MS. JAMIE MACALISTER: Thank you.

5 MR. LARRY HARTMAN: The next speaker card
6 I have is Joe, M-O-E-N-C-K, I believe.

7 MR. JOE MOENCK: Hello. My name is Joe
8 Moenck, I live in Zumbrota, Minnesota.

9 I'm a proud 20-year member of the United
10 Association of Plumbers, Pipefitters, Fire
11 Protection, and HVAC Technicians, and I'm also the
12 area representative for the Minnesota Pipefitters
13 Association.

14 I had the opportunity to testify at other
15 hearings, but tonight I want to speak as an avid
16 outdoorsman for hunting and fishing. So I'd like to
17 discuss pipelines and how they co-exist with our
18 other natural resources.

19 I fish professional walleye tournaments,
20 and this year two of our stops were in Minnesota.
21 One was in North Dakota and one was in Wisconsin.
22 But the most recent was in Walker, Minnesota on the
23 pristine Leech Lake. I fish walleye tournaments all
24 over the country and Leech Lake is one of the
25 cleanest bodies of water that I have ever fished on,

1 and arguably it's one of the best walleye fishing
2 lakes in the state of Minnesota.

3 And guess what? There's six Enbridge
4 pipelines that run between Cass Lake and Leech Lake
5 near Highway 2. The lines are over 40 years old and
6 yet we still have a world-class fishery with crystal
7 clear water. As a tournament fisher, I've seen
8 firsthand how pipelines and our natural resources
9 can co-exist in a positive way.

10 So today I'd like to ask you to do a
11 study. I'd like you to research our current
12 pipelines in Minnesota and their effect on our
13 natural resources and the near surroundings. I ask
14 this because I know the scenario exists, and just
15 like my last tournament in Walker, Minnesota, I'm
16 impressed with the end results that I see.

17 So in closing, we've got to make a
18 choice. And that choice is to replace the existing
19 line with a better, improved version that will last
20 us another 60 years or longer yet and continue to
21 protect those resources that all of us in Minnesota
22 love so much.

23 The men and woman of the United
24 Association are ready to build this project
25 efficiently and safely, and I ask that you grant the

1 certificate of need.

2 MR. LARRY HARTMAN: The next speaker card
3 I have is Robert Teran.

4 MR. ROBERT TERAN: Good evening.

5 My name is Robert Teran, T-E-R-A-N.

6 I'm a representative of the International
7 Union of Operating Engineers, Pipeline Department.
8 I am here to say that the operating engineers is in
9 support of the Line 3 Replacement Project. We feel
10 by replacing Line 3 it would be in the safety and
11 interest of citizens, livestock, wildlife, and the
12 protection of farmland and the natural environment
13 from potential accidents from the use of the old
14 construction.

15 All the construction of this project,
16 we'll be putting to work local, seasoned, and
17 qualified heavy equipment operators from local union
18 halls that would put money back into the local
19 economies.

20 We believe, with this project complete,
21 it would boost domestic products that would help
22 alleviate some men from foreign countries to fill
23 our domestic manufacturing, farming operations, and
24 supply our military with the gasoline and diesel
25 they all need to keep our economy strong.

1 Thank you.

2 MR. LARRY HARTMAN: Steve Dilger.

3 MR. STEVE DILGER: Steve Dilger,
4 S-T-E-V-E, D-I-L-G-E-R.

5 MS. JAMIE MACALISTER: Do you mind using
6 the microphone?

7 MR. STEVE DILGER: Sure.

8 First of all, I'd like to thank the
9 Commission for taking this time to host these
10 information forums. The information here has been
11 very helpful.

12 I'd just like to say I'm a pipefitter
13 from United Association Local 539 out of
14 Minneapolis. I'm here in support of the Line 3
15 replacement. I've done this type of work for a very
16 long time and have spent many, many nights and
17 countless dollars in towns just like Thief River
18 Falls. I've never had a local bartender or cafe or
19 hotel owner turn me away from their business.
20 Myself and my crews tend to spend a lot of money
21 while we are in towns just like this.

22 With that being said, the economic impact
23 on a community while we are in the area is huge.
24 It's been said in the past that when construction
25 crews come to town it's just like the oil workers

1 coming to the oil patch. I can assure you with us
2 that that is not the case. We with the United
3 Association are professionals. We are very proud of
4 our trade and our ability to do things right. If we
5 have our names on a project, you can rest assured
6 that it will be done safely and to the highest
7 quality. We as workers do not take any shortcuts.
8 This project is very important to me and my brothers
9 and sisters in our trade.

10 And for the record, I would like to ask
11 all the members of United Association and all other
12 members of labor that rely on these types of
13 projects to feed their families to please stand up.
14 And I would like the record to reflect that almost
15 half the citizens in attendance here tonight are
16 standing.

17 So, once again, I'm here to support this
18 project. Thank you very much.

19 MR. LARRY HARTMAN: The next speaker card
20 I have is David, O-D-N-E-A-L.

21 MR. DAVID ODNEAL: David Odneal,
22 O-D-N-E-A-L.

23 Thank you for the opportunity to speak
24 today. Others today have mentioned the benefits to
25 the Line 3 replacement project to state, counties,

1 and communities in terms of tax revenues, the jobs
2 the project will create, and the positive financial
3 impact to businessowners along the pipeline route.
4 All that points in support of this project.

5 What I'd like to comment on today is
6 pipeline capacity and its importance to meeting our
7 nation's energy needs. To lend credibility to what
8 I'm about to say, I will tell you that I've worked
9 for a major interstate pipeline company in the areas
10 of operations, technical support, and system
11 planning for 24 years. Pipeline capacity is
12 involved in product transportability through
13 pipelines from point A to point B -- in the case of
14 Enbridge from production areas in Canada to
15 refineries in the Midwest of the United States.

16 In situations with old pipelines like
17 this, typically a pipeline operator will have to
18 reduce its capacity to continue the safe operation
19 of the pipeline. Reducing capacity on the line is
20 not desirable, but in a responsible company, line
21 condition and other factors dictate what must be
22 done in order to minimize the potential for a
23 failure or release. Enbridge wants to replace this
24 line and the project makes sense. The capacity of
25 our nation's pipelines relative to meeting our

1 nation's energy needs are as important as our energy
2 supply.

3 I ask the Commission to complete their
4 environmental analysis and grant a certificate of
5 need for the Line 3 Replacement Project.

6 Again, thank you for your time.

7 MS. JAMIE MACALISTER: Thank you.

8 MR. LARRY HARTMAN: David Barnett.

9 MR. DAVID BARNETT: Thank you.

10 My name is David Barnett, B-A-R-N-E-T-T.

11 I'm a national representative of United
12 Association of Plumbers and Pipefitters and we're
13 specifically representing the pipeline workers who
14 weld, fit, and help on these pipelines throughout
15 the United States. I'm pleased we are joined here
16 with over 30 of our members tonight who took their
17 own personal time away from their jobs to come and
18 be a part of this.

19 I support the Line 3 project replacement
20 for several reasons. The jobs and man-hours being
21 the first the UA will enjoy and our members. The
22 protection of the public with a new pipeline system,
23 as well as the environment.

24 But tonight I have two specific asks of
25 the Commission. Studies, if you will, to go into

1 the scope.

2 The first one is what are the cumulative
3 effects to rail congestion for U.S. citizens and
4 farmers if all of the following proposed oil
5 pipeline projects in this region of the United
6 States are built that are awaiting permits. The
7 first one being Sandpiper, a proposed 225,000
8 barrels per day. The second, Line 3 replacement
9 would increase 370,000 barrels per day to the
10 current flow and reaches regional capacity. Energy
11 Transfer Partners, Dakota Access Pipeline, 570,000
12 barrels per day out of the Bakken to Illinois. The
13 Keystone XL Pipeline, 830,000 barrels per day
14 combined both with Bakken oil and Canadian oil.
15 Just these four projects alone would put 1,995,000
16 barrels or just short of 2 million barrels per day
17 in the best transportation system known to mankind
18 for oil. And I would think it should have some
19 effect on rail congestion.

20 In the Sandpiper hearings, I heard it
21 said by some that the Sandpiper line alone would not
22 relieve the rail congestion in Minnesota. However,
23 by looking beyond simply one project in a state and
24 considering cumulative projects a study may show
25 substantial relief to rail congestion.

1 My second ask. What are the
2 transportation costs to the environment measured in
3 CO2 emissions for transporting a barrel of oil by
4 rail versus transporting a barrel of oil by
5 pipeline? Keeping in mind that the railcar has to
6 make two trips, meaning a trip in both directions,
7 to deliver one carload of oil to its destination. I
8 feel it would show that this project is truly the
9 right thing to do from an environmentally conscious
10 viewpoint.

11 Thanks again for allowing me to speak.

12 MS. JAMIE MACALISTER: Thank you.

13 MR. LARRY HARTMAN: Jeff Gurske.

14 MR. JEFF GURSKE: Hi. My name is Jeff
15 Gurske, G-U-R-S-K-E.

16 I'd like to thank the Commission and
17 staff for doing the due process of going through all
18 this and Enbridge pipeline as well. I'm a 32-year
19 member working in the pipe trades and a 28-year
20 member of the United Association.

21 We talk a lot about safety, the Enbridge
22 safety plan. I've been a pipe welder on pumping
23 stations and some mainline systems, I work
24 refineries, hospitals, water treatment plants, yet
25 when you work on Enbridge pipeline systems there is

1 an inspector on just about every process that you
2 do. From your welding, you have people watching you
3 do your weld tests, you do several tests and during
4 the process of this job these are all independent
5 inspectors that inspect every aspect of your work.

6 And Enbridge has had the insight to go
7 ahead and recognize this pipeline needs to be
8 replaced. Not a new pipeline, but replace the
9 existing. It's very critical.

10 You talk about the economics. I put two
11 kids through Minnesota universities and a lot of
12 them jobs came from jobs like Enbridge pipeline. So
13 I would just like to say I wish you grant them to
14 move this process further on.

15 Thank you.

16 MR. LARRY HARTMAN: The next speaker card
17 is Scott Erlander.

18 MR. SCOTT ERLANDER: Good evening. My
19 name is Scott Erlander, two Ts, E-R-L-A-N-D-E-R.

20 I'm a 37-year pipefitter out of Local 455
21 in St. Paul. I've welded a lot of pipe, I've been
22 around construction, and I know that, like Jeff
23 said, there are a lot of inspections, all these
24 welds are going to be x-rayed.

25 And I'm in favor of the certificate of

11 And I think it's a no-brainer to replace
12 this pipeline, especially when you've got a solid
13 company like Enbridge that's willing to spend \$7.5
14 billion, \$2.6 billion in the United States, to run
15 337 miles of pipe through Minnesota. That's a big
16 investment and I'm glad that Enbridge has stepped up
17 to the plate to be willing to do this. I think that
18 this job definitely needs to be done as soon as
19 possible.

20	Thank you.
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21 MR. LARRY HARTMAN: Patrick Johnson.

22 MR. PATRICK JOHNSON: Good evening.

23	My name is Patrick Johnson,
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24	J-O-H-N-S-O-N.
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25	I am the director of Enbridge projects
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1 for oil and gas at Westwood Professional Services.
2 I'm also, most importantly, a Minnesota resident and
3 have the interests of my home state at heart.

4 Westwood employs 400 people nationwide,
5 with 130 of those people being employed are
6 Minnesota residents. For projects such as this, we
7 would add as many as 100 to 150 people with 50 to 75
8 of those people being Minnesota residents. This
9 will provide a cumulative effect to the tax base and
10 financial impacts on local communities between 8 and
11 \$9 million. We think this is a significant impact.
12 And also it should be noted that our services
13 represent 1 percent of the total project cost, so
14 that's just the tip of the iceberg for the overall
15 beneficial financial impact.

16 As a long-time partner with Enbridge
17 providing services on several similar pipeline
18 projects, Westwood has had the opportunity to
19 observe Enbridge's commitment to its neighbors in
20 the surrounding communities, safety, and managing
21 and limiting environmental impacts while
22 constructing and operating large oil transportation
23 pipelines, as well as consistent demonstration of
24 the highest levels of integrity and working with all
25 stakeholders.

1 In my opinion, based on observations over
2 a 20-plus year career in pipeline planning, design,
3 and construction, Enbridge maintains the highest
4 standards in the industry and the state of Minnesota
5 does not have a better operator developing this type
6 of facility within its borders.

7 Westwood urges you to move forward
8 swiftly with the approval process, return a
9 favorable response, and help us put our people on
10 the job.

11 Thank you very much.

12 MR. LARRY HARTMAN: The last speaker card
13 I have is Donavon Dyrda1.

14 MR. DONAVON DYRDAL: My name is Donavon
15 Dyrda1, D-O-N-A-V-O-N, D-Y-R-D-A-L. And I'm from
16 Pennington County.

17 I have to apologize to some extent, I put
18 this together rather hurriedly, but I did want to
19 make it part of the record. And probably partially
20 through the -- and I wanted to thank you for this
21 opportunity.

22 But one of the things I would like to
23 request from the Public Utilities Commission is
24 written rules and regulations governing pipeline
25 abandonment. Because I'm a landowner out there and

1 it's a big concern because the older lines are very
2 shallow and they have been leaking in my drainage
3 system for about 45 years now and we had problems
4 early on.

5 I'm not going to try and enter any of
6 that information into the record tonight. It's been
7 brought forward on numerous occasions, it'll more
8 than likely be brought up again. But the
9 abandonment is definitely a concern.

10 I don't believe a certificate of need
11 should be granted when the pipeline company has not
12 completed proper restoration over the last two lines
13 that were installed, the Alberta Clipper and the
14 LSr. I've included in my information here a few of
15 the numerous pictures that I've taken that show the
16 destruction of the land where the restoration
17 process has not been completed.

18 And at this time we are waiting for the
19 results of the determination from the Department of
20 Commerce after the field visit that was recently
21 done on August 10th of 2015. And I have to say, it
22 was after a five-year lapse since the last time that
23 the Department stopped when they were in the area on
24 another matter. It was a power transmission line at
25 that particular time. So I question whether the

1 Department is taking this situation that I have been
2 in since 2008, 2009, when laying those two lines, I
3 question whether they're taking it very serious at
4 all.

5 Now, Enbridge has had two maintenance
6 digs, and on August 12th, today, 2015, the
7 subcontractors showed up on our property. We were
8 aware of a maintenance dig going to take place, but
9 it was the last thing I thought was going to take
10 place this morning. We're in the middle of harvest.

11 I see the pipeline workers are very well
12 represented here tonight, I am wondering how many
13 farmers, landowners, who are greatly affected by
14 this project, it's pretty hard to jump off your
15 combine in the midst of harvest and leave, you have
16 a very short period of time in order to capture your
17 returns. We spend money for a year and get a short
18 period of time to recover that. So I'm not going to
19 ask how many farmers are here, I know that I'm one
20 that's here and I felt I needed to be heard.

21 But, anyway, today the contractor,
22 subcontractor started unloading equipment, started
23 maintenance digs, and it probably doesn't mean too
24 much to the other people in the audience here, but I
25 think it should make a difference to you, Larry

1 Hartman and Jamie MacAlister, after viewing our
2 property on Monday and seeing that situation and
3 it's getting worse as time goes on.

4 And that field visit was also attended
5 not only by you, Larry and Jamie, but Greg Olson of
6 Enbridge, right-of-way agent, and I believe Enbridge
7 would have had their subcontractors take some sort
8 of precautions to help mitigate the weed situation
9 that we're living with out there and not make it
10 worse, and that's exactly what they were planning on
11 doing. There was nothing in place regarding
12 decontamination of equipment or clothing.

13 And, actually, they picked up their
14 equipment and moved down and backed it up for a day,
15 and after they unloaded their equipment it was
16 noticed that the -- where the tracks on the tractor,
17 where they had unloaded it on the road, and then
18 reloaded it, there was soil coming off of those
19 tracks from we don't know where that track hoe came
20 from. But I have experienced that before where
21 Enbridge or subcontractors have brought in equipment
22 and it has not been cleaned properly and we have
23 numerous photos documenting this. And the -- some
24 of the species of weeds that have been brought on
25 our property more than likely came in in this

1 method.

2 Todd Rister (phonetic), right-of-way
3 agent, who we've had a decent working relationship
4 with, he attempted to solve some of our problems,
5 came out there to discuss the situation. He stated
6 that Enbridge and their subcontractors are coming
7 out on the land regardless of the weed situation.

8 So I was left, this morning now, I was
9 left with one of two options to try and mitigate the
10 current weed situation. One of them was that to
11 have them mow the weeds and then try to get them
12 into somewhat of a pile and then for myself to burn
13 them. So today I spent time arranging for burning
14 permits in the time that was allowed, I could not
15 come up with a better solution to try to minimize
16 the effect of what's happening out there. So I
17 think it'll be up to me to burn them.

18 And the other option that was suggested
19 was to go through my sunflower field bordering the
20 right-of-way. And I thought that would be better
21 than turning through the weeds that you folks
22 witnessed day before yesterday 'cause they've
23 matured, they break off, the wind would break them
24 off regularly, constantly, I guess I should say.
25 And after Mr. Rister spoke with some of his

1 superiors at Enbridge, he said that that would not
2 be an option. And that that would take him over the
3 old three lines that would be involved and would
4 take considerable time to get everything that was
5 required to use that as a route to enter. And so
6 then we agree that we would follow the plan, the
7 right-of-way being old, as the only alternative to
8 going in and letting the weed seeds disperse
9 haphazardly when they mow them and they're going to
10 scatter and we have to hope that there will not be a
11 wind tomorrow morning when they're showing up.

12 And they said that they would only mow as
13 far as on the right-of-way as needed for the
14 maintenance, or utilities are the problem, the
15 majority of the problem that we viewed here on
16 Monday. They are not going to deal with that. And
17 I have included a few pictures to show why we're in
18 this situation.

19 We have many other pictures where they
20 did not follow the mitigation plan, the
21 environmental mitigation plan or the agricultural
22 mitigation plan. But I did want to give you a
23 little sample to hopefully get your attention of
24 what appears to be cropland out here. And when
25 you're viewing these pictures, there are actually

1 weeds that were not controlled after the completion
2 of the LSR nor the completion of the Alberta
3 Clipper.

4 In particular, we have heavy clay soils
5 where we are, the subsoils, and I think
6 subcontractors desperately tried to meet deadlines,
7 it's obvious. I'd like to call your attention to
8 the last picture on the information I'm going to
9 submit. If you look at the very top picture and a
10 closeup of the -- well, barley, and if you look at
11 the center picture and look closely at it, this is
12 in our sunflower field, and you'll see between the
13 rows of the sunflowers there's considerable depth of
14 the mature weeds that have broken off and so there's
15 problems with expanding. And as I mentioned, they
16 were growing through our yard. There about a week
17 and a half ago one of our men commented that one of
18 our windows was open in our pickup trucks and in the
19 morning that seat was full of these weeds and
20 they're contaminating a very large portion of our
21 farm.

22 So, with that, I'll end, and I'd like to
23 make this part of the record. And thank you for
24 your time.

25 MR. LARRY HARTMAN: That's all the

1 speaker cards I have. Are there any other people
2 who would like to address?

3 Yes, sir.

4 MR. PHILLIP WALLACE: My name is Phillip
5 Wallace, P-H-I-L-L-I-P, W-A-L-L-A-C-E.

6 And I'm here representing the -- I'm a
7 40-year member of pipeliners, pipeliner and welders
8 of Local 798, United Association. And I serve the
9 pipeline industry, I'm now the 798 business
10 representative for pipeline welders, fitters and
11 helpers, welder helpers here in Minnesota and some
12 surrounding states.

13 We have a good working relationship with
14 Enbridge, doing the welding on their integrity
15 programs for several years and on their new
16 construction. The Line 3 34-inch pipeline has
17 served its purpose and needs to be replaced with a
18 new state-of-the-art pipeline with the newest
19 technology and the latest materials available. And
20 they weren't available back in the '60s when this
21 line was built. They will also spend over \$2
22 billion here in Minnesota building this new pipeline
23 to replace this old pipeline that is, to be honest
24 about it, it needs to go out.

25 I have a question for maybe a study. You

1 might want to call it the cost. They're spending
2 over \$7.5 billion on this project and I would like
3 to ask a question of the percentage, what is the
4 percentage of the cost difference per barrel per
5 mile for transporting this oil on rail versus
6 pipeline. You know, like one of the other guys
7 earlier said, you know, the railroad only moves in
8 one way, then they got to turn around and go back.
9 But I'd like to know what that cost is. 'Cause
10 everybody here in this room, you know, the cost at
11 the pump is what we would like to see lowered, you
12 know, so the cheaper that you can transport this
13 crude or any liquid products is, you know, is
14 cheaper on the consumers.

15 And, you know, in my opinion, you know,
16 transporting by pipeline is the most economical and
17 by far the safest way to move these products. So,
18 you know, everybody wants cheaper fuel. You know, I
19 wish we had, you know, I wish we could have other
20 ways, but we don't. Some day we might, but right
21 now we need that. Everybody here came here on gas
22 or a diesel-burning vehicle. The farmers need fuels
23 to farm with and the cheaper they get it, you know,
24 the better they are, too. You know, to pass that
25 right on to the consumers. And I just can't see

1 where this pipeline could be rejected when Enbridge
2 is trying to upgrade their whole system.

3 And so I want to ask the Public Utilities
4 Commission to grant the certificate of need. Thank
5 you.

6 MS. JAMIE MACALISTER: Thank you.

7 Yes, Mr. LaPlante.

8 MR. MARIO LAPLANTE: Mario LaPlante.

9 Going back to the tax issue, I guess I
10 didn't get the answer I was looking for. I know you
11 have new taxes on the new line, so will you still be
12 paying taxes on the old line? Yes or no.

13 MS. HELENE LONG: We will be paying taxes
14 on the old line as well.

15 MR. MARIO LAPLANTE: At the existing
16 rate?

17 MS. HELENE LONG: It'll be based only on
18 the asset value, not on the throughput.

19 MR. MARIO LAPLANTE: So there will be a
20 reduction?

21 MS. HELENE LONG: There will be a net
22 gain of 20 million in total. How it's allocated
23 among the counties is determined by the formula that
24 the Department of Revenue has.

25 MR. MARIO LAPLANTE: Right.

1 MS. HELENE LONG: There is an increase
2 for Alberta Clipper, Sandpiper, and Line 3. All
3 three will contribute additional tax revenues to the
4 state of Minnesota.

5 MR. MARIO LAPLANTE: So it will be a net
6 gain of 20 million?

7 MS. HELENE LONG: Yes, an absolute gain
8 of 19.5 million.

9 MR. MARIO LAPLANTE: Because I understand
10 Polk County about a week ago, they're asking for a
11 reduction on the existing line, so now they've got
12 to go back in and find out how to cover that loss.

13 MS. HELENE LONG: That is a different
14 issue.

15 MR. MARIO LAPLANTE: It is still pipeline
16 revenue.

17 MS. HELENE LONG: Yes, that is definitely
18 pipeline revenue. That is attributed to a change in
19 the methodology that the state has implemented in
20 -- I believe it's between 2011 and 2012, they
21 changed how they calculated how much tax the company
22 would have to pay. And it resulted in an increase
23 of about 36 percent. When we did our calculations
24 we felt there should be a tax increase, but it
25 should be more around 16 percent. And so we're in a

1 dispute right now with the Department as to what
2 that should be.

3 If we are successful, there would be a
4 reduction in the amount between what they think we
5 should have paid and what we think we should have
6 paid, but we will work with the counties so that
7 they don't suffer. It will be a prospective change,
8 right, so they can budget for it.

9 MR. MARIO LAPLANTE: Okay. Now going
10 back to the leaving in place issue. In your opening
11 comments you were concerned about safety and
12 landowner relations. In that spirit, how can you in
13 good conscience leave the existing line in place?

14 MR. MITCH REPKA: Thanks again for the
15 comment.

16 You know, there are federal codes and
17 regulations that we need to abide by as an operator.
18 And they do cover the decommissioning activities as
19 well. So Enbridge is fully committed to abiding by
20 those regulations. So there is that structure in
21 place, as well as the history of deactivated
22 pipelines across the country and also our plan to
23 continue to monitor the right-of-way and maintain
24 the cathodic protection controls and also do a
25 proper cleaning of the pipeline. So there are a

1 going to have to deal with this issue. Look at the
2 nuclear power plants. They're sitting there with
3 tons of nuclear waste because a disposal method was
4 never developed. This is just kicking the can down
5 the road one more time.

6 And like I said before, if it's a cost
7 issue it can be passed on to the consumer. It's not
8 placing them out of the market because rail needs to
9 address their issues and their costs are going to go
10 up, so it's not like they're pricing out of the ball
11 game. If the consumer can't pay for it, the
12 consumer really doesn't need it. So, I guess, is it
13 purely economics as the reason for not doing it?

14 MR. BARRY SIMONSON: Thank you,
15 Mr. LaPlante. I think I've seen you before at the
16 Sandpiper hearings, correct?

17 Barry Simonson.

18 One thing that was not mentioned is that
19 if Line 3 was Line 1 and that was the only pipeline
20 that was in the corridor, it may be easier to take
21 up and relay the pipeline. But as it stands we
22 have, north of Clearbrook, seven pipelines. Line 3
23 is in the middle, almost. So there it becomes an
24 issue with safety.

25 So if that line were -- if we were to

1 replace the entire line, there's a great safety
2 concern in terms of the depth of cover of the lines
3 that were put in from 1940 all the way through 2009.
4 So that becomes a safety concern not only for our
5 workers, but for the environment itself because
6 there are lines that are adjacent to that existing
7 Line 3. So I hope it does add some clarity to the
8 audience and your question, Mr. LaPlante, for that.

9 The other thing I wanted to mention, too,
10 is Line 3 is a privately funded project. So if the
11 existing Line 3 were to be replaced, it wouldn't be
12 public funds going toward replacing it or taking it
13 out, that would be privately funded and I want you
14 to understand that also.

15 And then the other thing I wanted to
16 mention is that, as with Sandpiper -- and the notice
17 is a certificate of need, not a route permit
18 proceeding for the hearing. But one of the issues
19 that we have with routing Sandpiper and now Line 3,
20 is following the proposed route for Sandpiper, is
21 the fact that there are seven pipelines north of
22 Clearbrook, six south of Clearbrook, so the
23 landowner, like you mentioned, doesn't have enough
24 land in terms of routing, so that is why we didn't
25 route Line 3 next to Sandpiper because of the fact

1 that you have various areas being encroached upon
2 with development of pipelines, schools, businesses.
3 So that was one of the factors that we did take into
4 account, was landowner fatigue. And that's part of
5 the reason why we're replacing Line 3, in addition
6 to the fact that it is an integrity-related project
7 replacement.

8 MR. MARIO LAPLANTE: I guess I'll look at
9 your argument as it supports my argument more than
10 it supports yours. Because if you put in the new
11 line, I don't see a hazard in removing the old line
12 because they are far enough apart. If you can put
13 the new line in without a hazard, I don't see a
14 hazard in removing the old line. Now that creates
15 another open space for potentially another line back
16 in the same corridor. But in my case it's a depth
17 of cover issue. And there's only one pipeline,
18 Line 81 is the only pipeline in my neighborhood and
19 that's shallow buried. Sandpiper is coming through
20 at a deeper, safer level. And now I assume that
21 even though you're not pumping oil in 81, I still
22 have to be careful over Line 81 not to hit it. If
23 it's gone, it's not an issue.

24 MR. BARRY SIMONSON: Well, I guess I
25 can't speak to Line 81 since it's not part of the

1 certificate of need that we're talking about tonight
2 and it's not planned to be abandoned at any time in
3 the near future.

4 MR. MARIO LAPLANTE: All right.

5 MS. JAMIE MACALISTER: Are there any
6 other questions out there?

7 All right. Yes, go ahead, Mr. Dyrda1.

8 MR. DONAVON DYRDAL: Do you mind if I do
9 a little follow-up?

10 MS. JAMIE MACALISTER: You may do so.

11 MR. DONAVON DYRDAL: Donavon Dyrda1
12 again. Again, my name is Donavon Dyrda1.

13 Just listening to some of the last
14 comments, I guess I can't be real specific, but I
15 think it was prior to the 2010, '11 time frame in
16 which he was talking about the taxes and the
17 counties wouldn't be hurt.

18 Again, I'm a little bit underprepared, I
19 guess, but visiting with our county auditor, I was
20 made aware of a significant drop in our taxes -- I'm
21 sorry, in the revenue coming into Pennington County
22 from the pipelines. And I don't have an exact
23 number, but it was quite significant. And the
24 information that I got is they did not -- the local
25 auditor and staff did not have input on that,

1 Enbridge went to the state Revenue Department and
2 negotiated. And I'm not so sure I believe it was
3 even a tax abatement. So I think that bears looking
4 into, how that is affecting our county.

5 I, as a farmer, and our neighbors are
6 being -- our taxes are going up significantly, and
7 that's an understatement. So our land is being
8 devalued with the pipelines. I have seven pipelines
9 going across my land now and three of them were in
10 the original 1950, '68, in that era of time prior to
11 state statutes requiring a certain depth. And I was
12 promised by Lakehead, at that time, people that
13 those lines would be buried. And I bought into that
14 for many years. And I have letters stating that.
15 There are safety concerns. You talk about safety
16 concerns, I have three exposed pipelines on my
17 property. And it goes out, it dams up my water.

18 And during construction I observed, and I
19 could have thrown that picture in, when it first
20 opened, during construction it's 13 inches below the
21 surface. Now, maybe that was one thing when you
22 were running 45 horsepower tractors and you strike
23 the line and you probably till it, you wouldn't
24 damage it. Now we're running 600 horsepower
25 tractors. And we have for the most part fairly

1 heavy clay soils and we do subsoiling and it's not
2 unusual for us, normal tillage depth would be 10 to
3 12 inches deep, 8 to 10 depending on the situation,
4 of subsoil breakup, and much deeper than that. So
5 you're talking about safety issues and we've been
6 living with this for years and Lakehead promised us
7 that those issues were going to be addressed. And
8 their words were when their schedule and resources
9 permitted it. Well, I bought into that for probably
10 25 years. And when I started looking at the maps
11 that Enbridge has accumulated in North America, I
12 started questioning that a little bit, geez, I
13 wonder if they have the resources yet to deal with
14 my problem out there. They won't even drive across
15 it themselves with their own equipment. They laid
16 mats over our farmland to get there to do the
17 maintenance because they don't dare drive their
18 equipment on it.

19 In the last -- I might be off a little
20 bit here -- but probably in the last three or four
21 years we probably had a minimum of at least 13
22 maintenance digs within a mile area over the last
23 years, since I'm going to say the '70s. I'm sure we
24 could say we probably had at least double, excuse
25 me, of those maintenance digs.

1 And Line 3 probably needs replacement and
2 I thought, well, when I first heard of this, that's
3 great, at least I'll get rid of one of my problems
4 that are damming up the water and holding the water
5 back on at least 200 acres of land. The only
6 other -- but now I understand that with abandonment,
7 I'm not even going to get rid of one of those lines
8 to help solve this problem.

9 I would have a suggestion that if they
10 have alternative routes, it would make me so happy
11 if they take all seven lines and bypass my property,
12 and I can't tell you how happy that would make me.

13 MS. JAMIE MACALISTER: All right. Thank
14 you.

15 Any other questions or comments?

16 All right. With that, we will close this
17 evening's meeting. Thank you again for attending
18 and for your comments.

19 (Proceedings concluded.)
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